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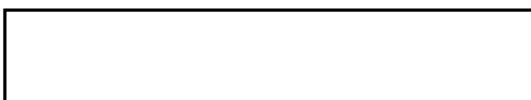
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November 6, 1975



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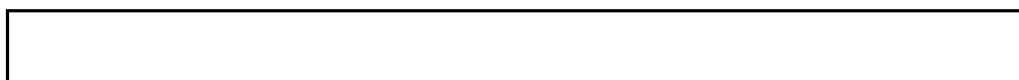
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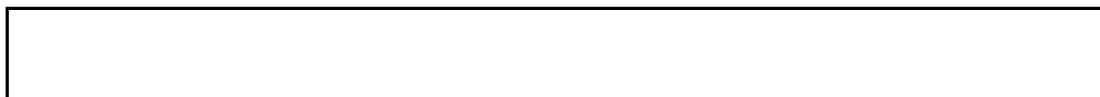
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SPANISH SAHARA

Spain and Morocco have reached an understanding designed to reduce the threat of a major clash during the march of unarmed Moroccan volunteers into Spanish Sahara, which King Hassan has announced will begin today. Even so, some violence is likely.

Prince Juan Carlos told Ambassador Stabler yesterday that Madrid and Rabat have agreed that the marchers will come only a few miles into Spanish Sahara and stay only a short time in the border area, from which Spanish troops have been withdrawn. The Prince added that a token delegation of about 50 Moroccans will be allowed to go on to the territorial capital of El Aaiun.

The area beyond which the marchers are not supposed to go is delineated by clearly marked minefields, according to another Spanish official. Juan Carlos said Spanish forces will use every means at their disposal to prevent the Moroccans from moving beyond the agreed area.

King Hassan made no mention of the agreement with Madrid during his short speech yesterday announcing that his green march would proceed today. At the same time, he gave no indication of how far into the territory the marchers would proceed, suggesting that he may intend to honor the agreement.

Hassan stressed the need for order and discipline during the march and told the Moroccan volunteers to be "hospitable" to any Spaniards they encounter. Hassan did not threaten to use force if the Spanish put up armed resistance, but he assured the marchers that if "anyone else" fires on them the Moroccan army will defend them. He was obviously referring to Algeria and the Polisario Front, a pro-Independence group of Saharans backed by Algeria.

Once the marchers cross the border, the situation could easily get out of control.

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The Polisario Front will almost certainly try to attack the marchers. Some members of the group are already in the area from which Spanish troops have been withdrawn and may be in the coastal area where the Moroccans are to cross the border.

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ARGENTINA

President Maria Estela Peron announced from her hospital this morning that she does not intend to resign or ask for a leave of absence. Nevertheless, her emotional state appears to be deteriorating rapidly, and her political position seems all but lost. It is almost certain she will be out of office within a short time.

The President has responded to the defection of her last strong supporter—labor leader Lorenzo Miguel—by isolating herself in a Buenos Aires clinic, apparently refusing to meet with anyone except her physician and her private secretary. US embassy sources say she has had a special telephone line installed and talks directly with her former mentor, Jose Lopez Rega, now in exile in Spain.

There seems no hope for an arrangement that will allow her to remain in office, even as a figurehead. The President's private secretary is said to be advising her to take the offensive by replacing the three armed service commanders. Any such attempt would bring about her quick removal.

The generals are waiting in the wings, hoping the civilian leaders can come up with a solution. Peronist labor leaders and politicians have been meeting since yesterday trying to agree on how to get the President out of office and what to do after she goes. Many observers expect that Senate President Italo Luder, who was acting chief executive during Peron's vacation last month, will again become interim president until an election can be held.

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USSR

The pro-Algerian position Moscow has recently adopted on the Spanish Sahara dispute has led to a deterioration in Soviet-Moroccan relations.

In the UN, the Soviets have agreed with Algeria's view that the Spanish Sahara question should be resolved by granting self-determination to the colony's inhabitants. Soviet UN representative Malik—with an obvious eye on King Hassan's threatened mass march into the territory—has urged "restraint and moderation" on the concerned parties.

Pravda weighed in on behalf of Algiers earlier this week in its first commentary on the Saharan situation. The brief article pointed out that the UN General Assembly has twice voted for the right of self-determination for the territory's people. *Pravda* voiced Moscow's opposition to any efforts to deny them this right.

Last month, the Soviets took a more tangible step. They reportedly helped arrange the transfer of Soviet-supplied arms from Libya in order to meet an urgent Algerian request for arms to beef up its forces facing Morocco and Spanish Sahara.

To show displeasure over the Soviet position, King Hassan has canceled the visit of a Soviet delegation that was to put the final touches on a major Soviet-Moroccan phosphates agreement [REDACTED]

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Moscow's tilt toward Algeria has probably not come easily. The Soviets have had their problems with Algeria's espousal of Third World causes, and they have made some effort over the last year to strengthen ties with Morocco. They are particularly interested in the development and purchase of Moroccan phosphates, which have become an important supplement to the USSR's sagging domestic production and which may take on more importance if this year's crop failure leads to even further Soviet emphasis on fertilizers. [REDACTED]

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LEBANON

The security situation in Beirut has improved enough to permit the resumption of some vital services, although a few gun battles in the eastern section of the city marred the cease-fire yesterday. Army troops have been ordered to fire on truce violators.

Lebanese security forces have removed some barricades from city streets, although their task has been complicated by the efforts of warring factions to improve their positions. Christian and Muslim militiamen still occupy areas of the hotel district, where the truce is particularly tenuous.

For the first time in several days, Beirut's fuel and food supplies are being replenished. Some banks are scheduled to open today, and this could encourage citizens to respond to government calls for a return to normal business activity.

The meeting on Tuesday between Prime Minister Karami and Interior Minister Shamun is receiving wide publicity. The feuding leaders apparently agreed to cooperate in the interest of public security, although they certainly have serious differences on how security should be achieved. The uneasy reconciliation will ease the task of the cabinet in dealing with immediate problems, but the feud between Karami and Shamun will continue to impede efforts of the national dialogue committee to find a political solution.

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BANGLADESH

The situation in Bangladesh remains unsettled following General Musharraf's seizure of power Monday and President Mushtaque's resignation yesterday.

A.M. Sayem, the chief justice of the Supreme Court, apparently is to succeed Mushtaque. Sayem, a respected nonpolitical official, presumably will be a figurehead. The real power will be wielded by Musharraf and, perhaps, by other officers on a "military council" reportedly being formed.

Reports that troops loyal to Musharraf's main rival, ousted army chief of staff General Zia ur-Rahman, were moving on Dacca have not been confirmed. Zia, however, retains considerable popularity within the armed forces.

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Prior to resigning, Mushtaque had come under considerable criticism because of the murder of five to ten imprisoned high-level officials of the late president Mujib's government. Most of the killings apparently were perpetrated early Monday by one or more of the young majors who had led the coup against Mujib in August and who were closely identified with Mushtaque.

The killings triggered a partly successful protest strike in Dacca yesterday. The reasons for the murders are unclear; it is possible the majors were taking revenge for what they may have believed was involvement by pro-Mujib or Indian-supported elements in Monday's power shift.

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TURKEY

The lack of cohesion in Prime Minister Demirel's coalition government was underscored this week by the repeated failure of the lower house of parliament to elect a presiding officer.

The election of a speaker is normally a nonevent subject to a gentlemen's agreement that gives the post to the numerically strongest party in each house. In this session of parliament, the election has become the focal point of disagreement among the various coalition parties and their independent supporters.

Demirel would probably prefer to bow to tradition and allow opposition leader Ecevit's Republican People's Party to hold the speaker's post in the lower house. This would avert an attempt by Ecevit to retaliate in the upper house, where Demirel's party would normally win the honor.

The Prime Minister may, however, be forced to precipitate a conflict with Ecevit by his troublesome coalition partner, National Salvation Party leader Erbakan, who is currently looking for an issue to strengthen his own political base. Erbakan's challenge may be coordinated with that of nine independent parliamentary deputies whose votes are important to the government's ability to survive a confidence vote.

Erbakan appears to favor electing a speaker of the lower house from among coalition party deputies or independents who support the government. He met last weekend with four of the nine independents and agreed to convey to other coalition partners their demand for election of one of their group as speaker. The independents are also demanding at least one cabinet seat in return for continued support of the government.

Leaders of all the coalition parties met Wednesday amidst public statements by Demirel and other coalition loyalists touting the government's stability. Their talks probably focused both on internal differences—including Erbakan's recent demands that unfulfilled coalition programs be implemented—and on the demands of the independents. The coalition will probably have to accommodate the independents, at least in part, but any compromise the various factions reach is likely to be fragile.

As Demirel works to hold his government together, he must also be alert to renewed violence at Turkey's universities. The incidents this year have focused, as they did in 1974, largely on student and faculty grievances and residual hostility between rival left- and right-wing student groups. Nevertheless, the confrontations could take on greater political coloration—potentially of an anti-US nature—later in the school year and again spill over into the national political arena.

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EGYPT

Cairo may soon buy a jointly produced French-German antitank missile for the Egyptian army.

A marketing firm is scheduled to demonstrate the weapon in Cairo later this month. The Egyptians may buy the missile to arm the 42 Gazelle helicopters purchased from France in February. Cairo also may want to produce the weapon under license for its own use as well as to supply other Arab states.

Egypt has been expanding its aerospace manufacturing facilities since May 1974. An Arab-sponsored \$1-billion fund was established this year to create a military-industrial base in the country. Licensed production of the antitank missile would be the first step in getting Egypt's missile industry back into operation. Efforts to manufacture three surface-to-surface missiles and an air-to-air missile were abandoned in 1967.

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FINLAND

The victory of the Social Democratic incumbents in Finland's crucial Metalworkers' Union election this week improves prospects for the formation of a new majority coalition government.

The Social Democrats' victory in the unusually bitter and scandal-ridden union contest was narrow. They captured 259 of the 506 delegate seats for the union's quadrennial congress next month. The Communists won 240 seats, while the Center Party faction won 7.

The parliamentary election in September failed to provide a clear mandate for dealing with Finland's mounting economic problems. Few leaders in the badly fragmented political arena were willing to commit themselves to a new coalition government until the fate of the Communist challenge to take over the Metalworkers' Union was decided.

With inflation running at an annual rate of 18 percent and a trade deficit of some \$2 billion expected this year, political leaders are convinced that a solid majority coalition is necessary if strong economic measures are to be enacted. A Communist victory in the bellwether union contest would have increased the likelihood of active union opposition to these measures.

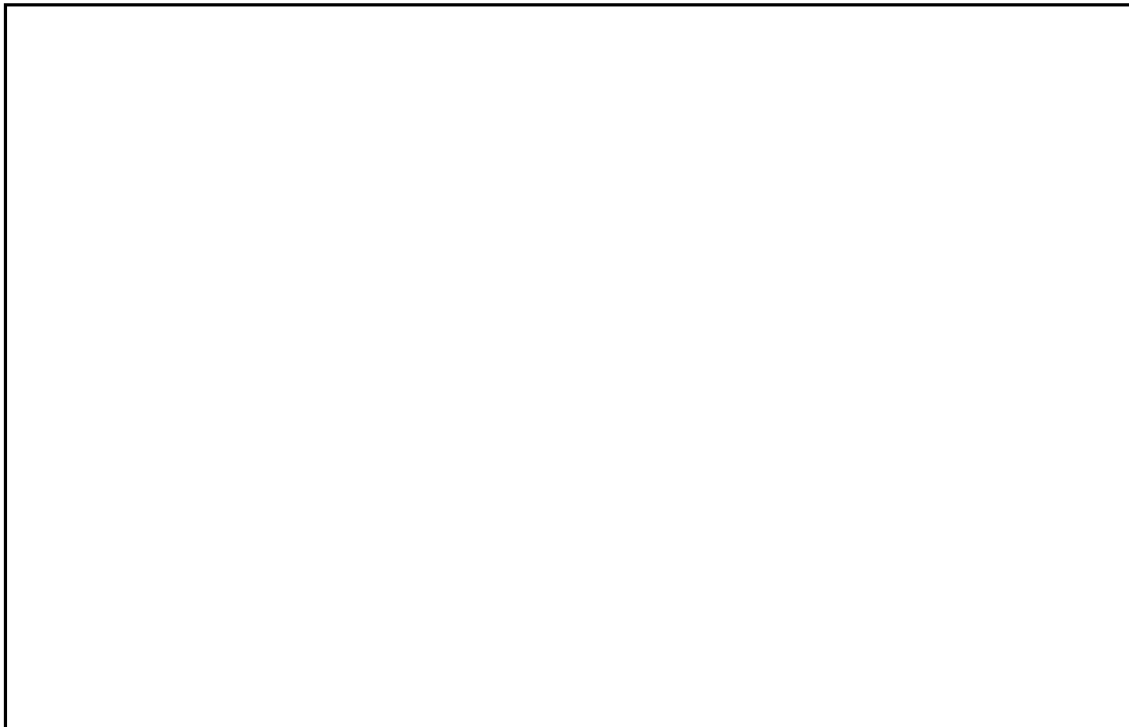
Formation of a new government is still some way off. Former prime minister and provincial governor Miettunen last week began sounding out several center-left parties. There is no evidence yet, however, that the basis for a government program has been reached, or that conflicting Social Democratic and Center Party demands for the prime ministership have been resolved.

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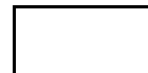


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POLAND: The Gierek regime has had some success in reducing public tensions and short-term economic strains, according to the US embassy. Warsaw recently moved to quiet domestic unrest by increasing market supplies to meet expanded consumer demand during the approaching holiday season. The leadership, however, does not seem to have decided on how or when to reveal its answer to the question of price increases, which underlies much popular concern. Until it does, the public will continue to be jittery.



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